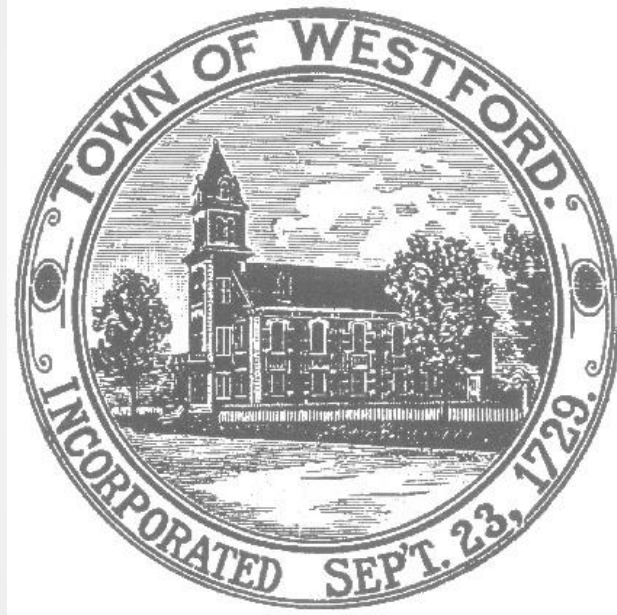


# Town of Westford



## Fiscal Year 2021 Message

Jodi Ross  
Town Manager  
December 17, 2019

# Town Charter requirements related to annual operating budget

- The financial management powers, duties and responsibilities of the town manager shall include but not be limited to the following:
- (a) to prepare and submit, after consultation with all town departments an annual operating budget and capital improvements program for all town departments;

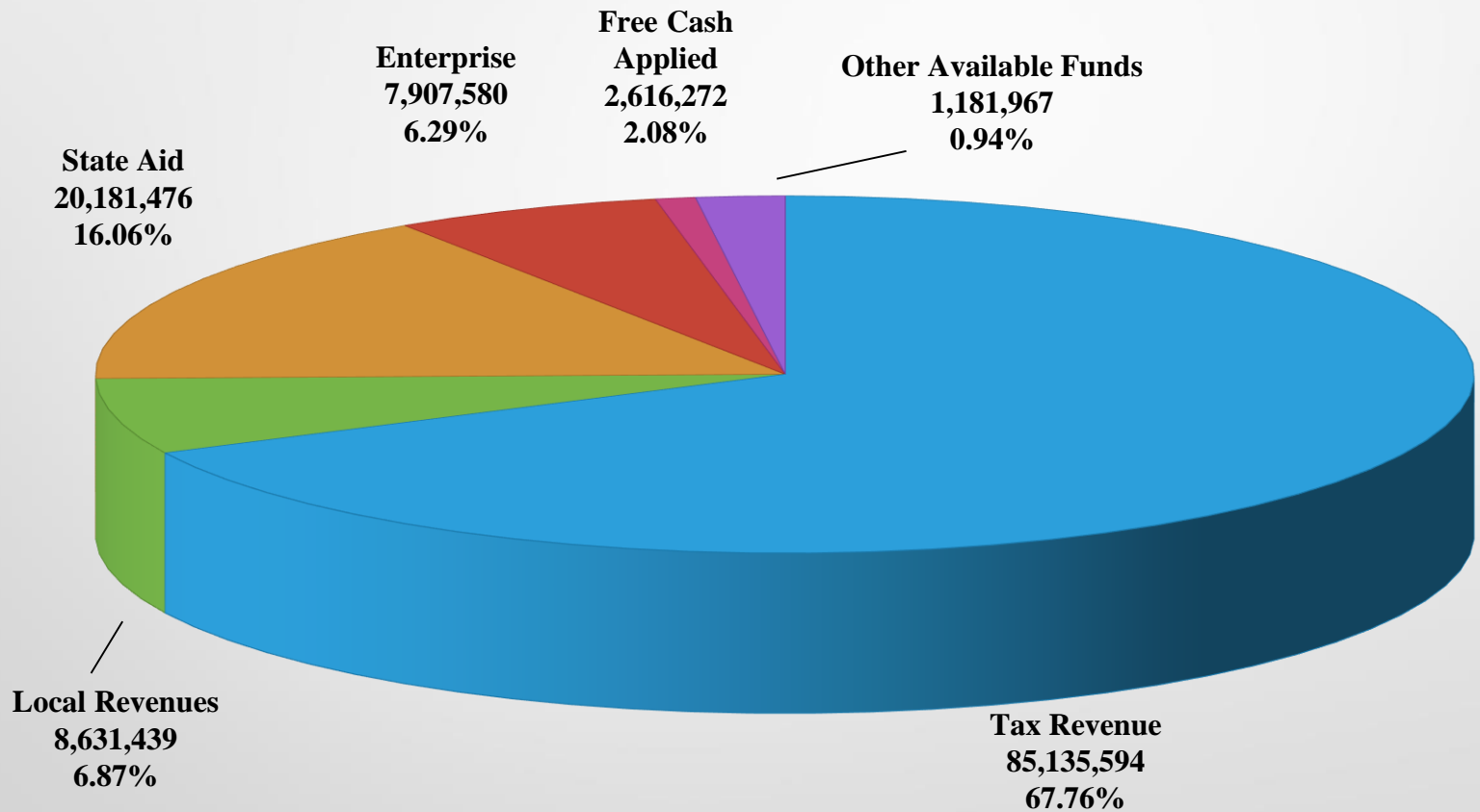
# FY21 Town Budget Objectives

- Adhered to BoS FY21 Budget Policy Direction
- Mission statements
- Organizational charts
- Explanations for significant changes
- Transparency
- Budget documents available at [westfordma.gov](http://westfordma.gov)

# FY21 Projected Revenues

Tax Revenue	\$85,135,594
Local Revenue	8,631,439
State Aid	20,181,476
Enterprise Revenue	7,907,580
Reserves Applied	0
Other Available Funds	1,181,967
Free Cash – Capital, Perchlorate, Snow & Ice	2,616,272
Total	\$125,654,328

# FY21 Projected Revenues



# Additional FY21 General Fund Revenue

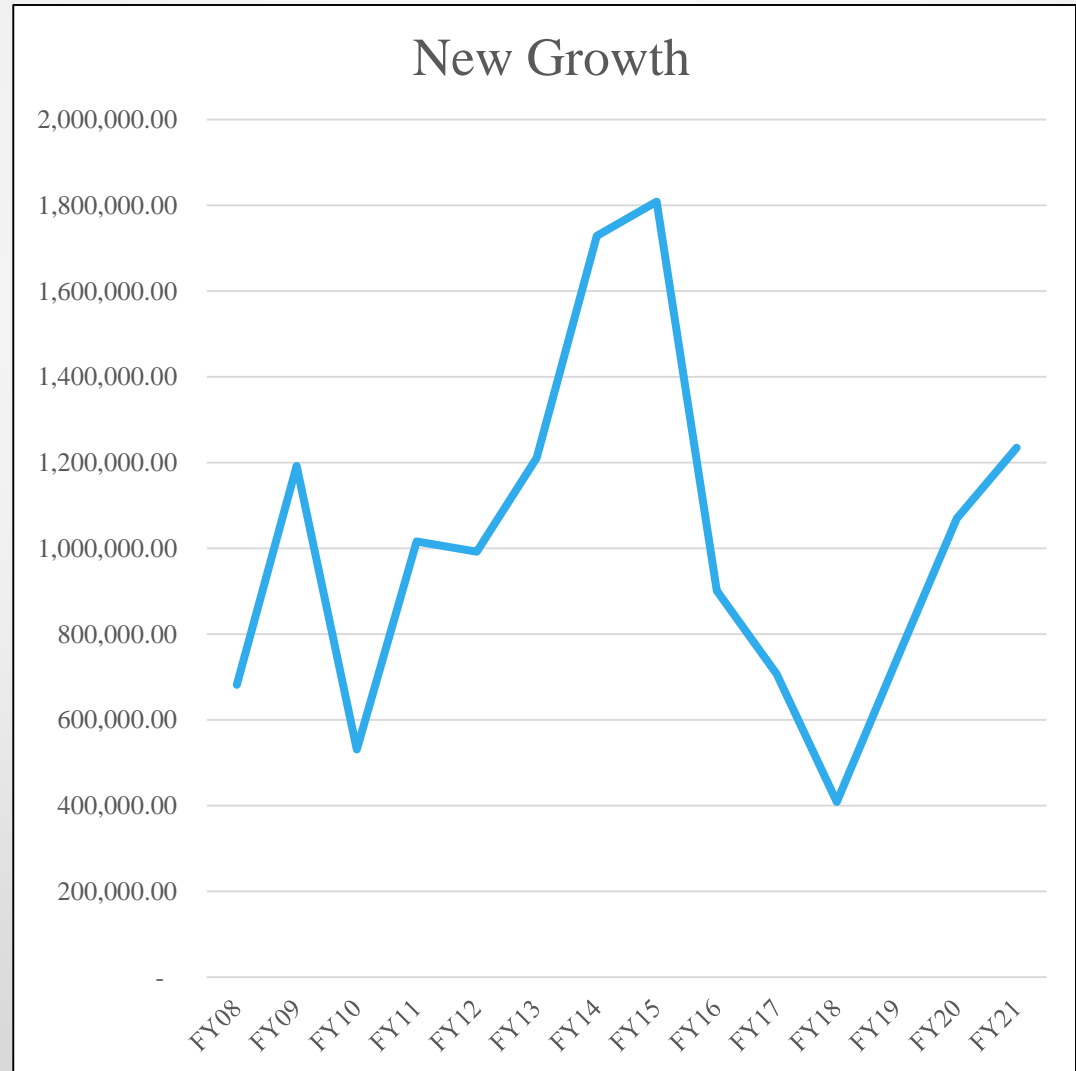
<b>New Revenue</b>	<b>FY21</b>	<b>Subtotal</b>
Tax Revenue: Prop. 2 ½ Increase	\$1,972,455	
Tax Revenue: New Growth	1,234,704	
Tax Revenue: PY Excess Capacity	30,531	
Tax Revenue: Debt Exclusions	65,820	
State Aid and Local Revenue	210,872	
Less MSBA Payment – WA	(1,557,026)	
<b>Total New G/F Revenue</b>		<b>\$1,957,356</b>

# Allocation of Additional FY21 General Fund Revenue

<b>Allocation of New Revenue</b>	<b>FY21</b>	<b>Subtotal</b>
Employee Benefits and General Insurance	1,287,702	
Net Debt Service	(1,296,542)	
Override (if applicable)	0	
NVTHS/Other	(35,255)	
Subtotal		(\$44,095)
<b>Funds Remaining for Departmental Expenses</b>		<b>\$2,001,451</b>
Westford Public School Budget 76%	1,477,538	
Net Town Operating Budgets 24%	523,913	
Subtotal		\$2,001,451
<b>Net Remaining</b>		<b>\$0</b>

# New Growth Historical Data

Fiscal Year	New Growth
FY21	1,234,704
FY20	1,069,837
FY19	740,243
FY18	408,857
FY17	707,422
FY16	901,454
FY15	1,808,449
FY14	1,728,677
FY13	1,210,815
FY12	992,490
FY11	1,016,138
FY10	531,068
FY09	1,192,267
FY08	682,195





# Reserves as of December 2019

- Free Cash balance: \$3,519,456
- Stabilization Fund balance: \$5,425,916

Description	Amount	Balance
Beginning Balance	\$8,945,372	\$8,945,372
Less: Reserve Minimum Balance (5%)	(\$5,576,087)	\$3,369,285
Less: Capital Appropriation	(\$1,631,121)	\$1,738,164
Less: Snow & Ice Deficit	(\$400,000)	\$1,338,164
Less: Perchlorate Appropriation	(\$110,000)	\$1,228,164
Less: Appropriation to OPEB Stabilization	(\$200,000)	\$1,028,164
Less: Appropriation to Capital Stabilization	(\$270,000)	\$758,164

- Remaining \$758,164 may be used for unforeseen expenses or rolled to next FY's Free Cash balance

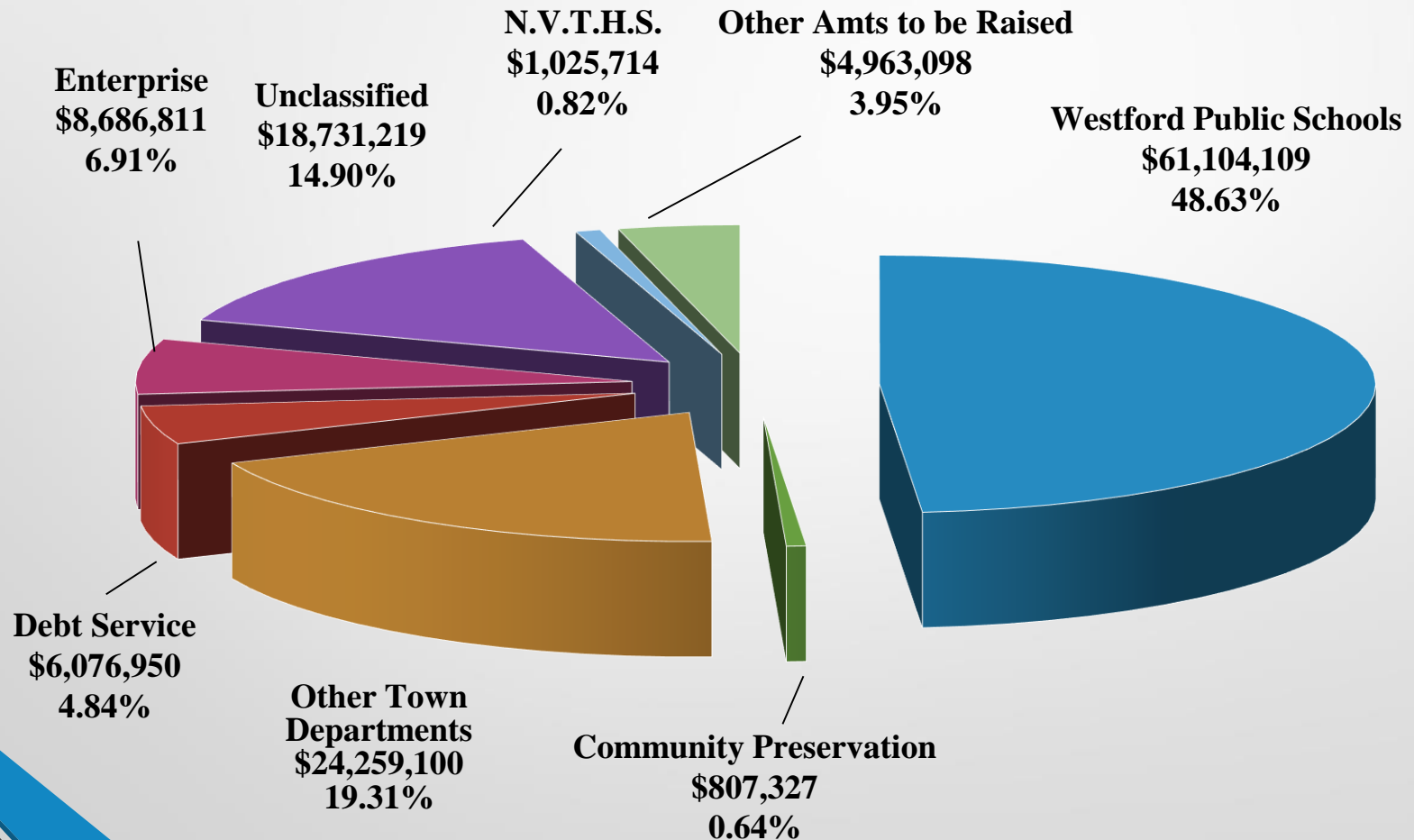
# Bond Rating

- Our most recent rating review was completed on June 30, 2019
  - Rated AAA which is considered the best investment quality
  - Results in lower interest rates when issuing bonds for projects
  - Report cited Westford's very strong economy, strong management with good financial policies, strong budgetary performance, very strong budgetary flexibility, very strong liquidity, very strong debt and contingent liability position, and strong institutional framework scores.
- Roudenbush bonded at 2.89% True Interest Cost (TIC) on taxable bond
- Main Street bonded at 2.57% TIC
- Latest fire station bond and Vine Brook betterment received a 2.01% TIC
- Norman E. Day and Colonel John Robinson windows bonded at 1.87% TIC

# FY21 Projected Expenditures

Description	Town	School	Other	Total
Westford Public Schools		\$61,104,109		\$61,104,109
Other Town Departments	24,259,100			24,259,100
Community Preservation			807,327	807,327
Debt Service	2,261,602	3,815,348		6,076,950
Enterprise	1,084,231		7,602,580	8,686,811
Unclassified	6,385,899	12,345,320		18,731,219
N.V.T.H.S.			1,025,714	1,025,714
Other Amounts to be Raised	1,328,440	1,276,088	2,358,570	4,963,098
<b>Total</b>	<b>\$35,319,272</b>	<b>\$78,540,865</b>	<b>\$11,794,191</b>	<b>\$125,654,328</b>
% of Budget	28.11%	62.51%	9.39%	100.00%

# FY21 Projected Expenditures



# FY21 Budget Highlights

- Maintaining services – sustaining town assets
  - Reduced town department budget requests by \$971,656 or 4.02% due to limited financial resources
- Allocating schools additional \$1,477,538 or 2.48% increase
- Allocating town departments additional \$523,913 or 2.17% increase
- Funding employee and retiree benefits (unclassified budget)
- Supporting BoS public safety recommendations
- Creating a Department of Public Works
- Creating a new Stormwater Enterprise Fund

# Collective Bargaining Agreements

## ■ **Town:**

- WPWA expired in FY19
- IAFF settled through FY20
- CWA, WPA, WSO, OPEIU settled through FY22

## ■ **Schools:**

- Teachers, Coordinators, Nurses, and Reading and Math Interventionists settled through FY20
- Central Office Support, School Admin. Assts., and Food Service Workers settled through FY21
- Teaching Assistants, School Custodians, and Special Education Transportation staff settled through FY22

# FY21 Budget - Unclassified

- Unclassified (insurances/Medicare/retirement) increasing by 3.89%
  - Health Insurance increasing \$504,118 (+4.67%)
  - Middlesex Retirement increasing \$320,954 (+6.23%)
  - Other Post Employments Benefits (OPEBs) increasing \$207,931
  - Medicare increasing by \$60,000
  - General insurance and worker's comp increasing \$54,025

# FY21 Budget - Health Insurance

- In FY20 budgeted 8% increase – received 7.9% increase from BCBS
- Funding for retirees on Medicare plan increased 1.5%
- Subscriber changes during open enrollment added additional \$8,325 to monthly insurance invoice - budget \$15,000
- Actual figures in December when all enrollees are on invoice
- FY21 budget projects an 8% premium increase totaling \$11,289,358
- Health Insurance Stabilization Fund balance \$655,141



# Health Insurance Budget History

<b>Fiscal Year</b>	<b>Carrier</b>	<b>Budget</b>	<b>Actual</b>	<b>Non-Medicare Plan % Inc/(Dec)</b>	<b>Medicare Plan % Inc/(Dec)</b>
FY10	MIIA - BCBS	6,500,000	6,455,172	5.50%	0.00%
FY11	MIIA - BCBS	7,150,000	7,378,422	13.00%	-36.61%
FY12	Tufts	9,243,598	7,724,048	0.00%	38.74%
FY13	Tufts	9,438,000	8,166,078	12.67%	2.86%
FY14	BCBS	10,131,521	8,141,183	1.40%	-36.00%
FY15	BCBS	9,467,933	8,186,031	5.10%	4.10%
FY16	BCBS	9,293,000	8,605,922	7.83%	7.88%
FY17	Fallon	9,697,491	9,046,212	5.50%	10.00%
FY18	Fallon	10,384,523	9,439,110	2.74%	5.77%
FY19	BCBS	10,475,348	9,812,914	0.60%	0.00%
FY20	BCBS	10,785,240	4,969,912	7.90%	1.50%
FY21		11,289,358			

# Health Insurance Subscriber History

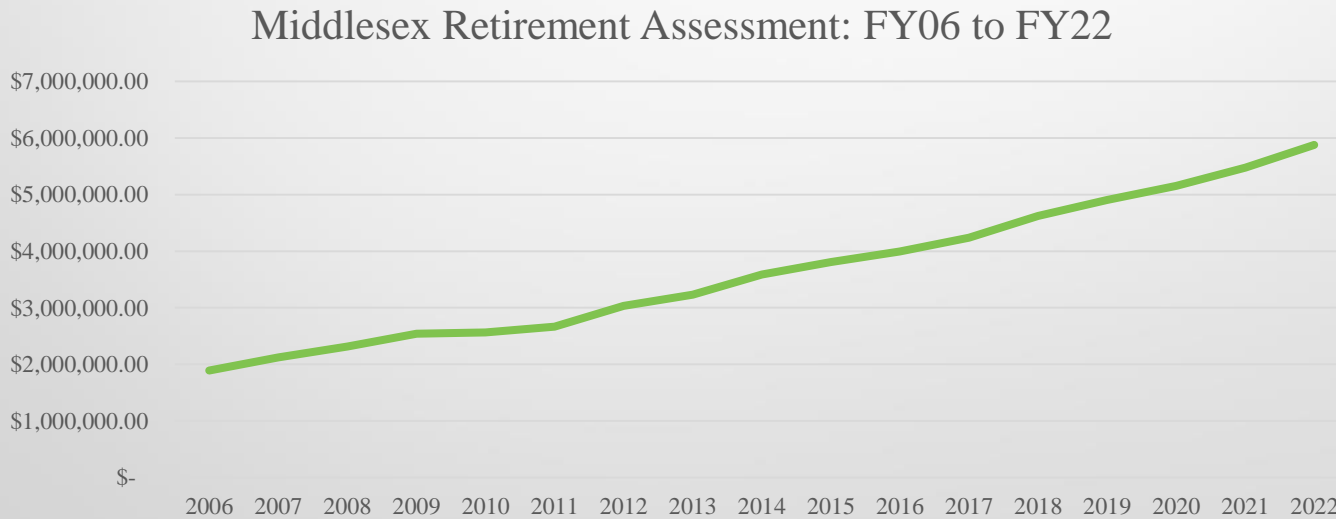
<b>Fiscal Year</b>	<b>Subscribers</b>	<b>Town - Non Medicare Subscribers</b>	<b>Town - Medicare Subscribers</b>	<b>School - Non Medicare Subscribers</b>	<b>School - Medicare Subscribers</b>
FY10	912	176	42	553	141
FY11	961	179	47	578	157
FY12	964	214	51	528	171
FY13	1,001	193	63	537	208
FY14	1,016	191	65	517	243
FY15	1,003	187	57	495	264
FY16	1,032	192	67	475	298
FY17	1,033	188	67	459	319
FY18	1,091	185	73	487	346
FY19	1,124	186	77	495	366
FY20	1,117	190	79	475	389

# Other Post Employment Benefits

- Our OPEB policy – annually fund “normal costs” – accrued liability for employees hired after Jan 1, 2012
- Current net liability is \$75.28M as of June 30, 2019 – new actuarial study to occur each year
- Funding OPEB at \$1,218,957 in the operating budget and \$200,000 from Free Cash for a total of \$1,418,957
- OPEB Trust Fund current balance \$7,033,136 – after FY21 appropriation balance will be \$8,805,093
- In FY19 \$2,158,937 paid for retiree health insurance from health insurance budget

# Middlesex Retirement

- Middlesex Retirement assessment will continue to increase to meet goal of fully funding by 2035:
  - FY20 \$5,152,765 +7.11%
  - FY21 \$5,473,719 +6.23%
  - FY22 \$5,878,774 +7.40% (projected)



Will save \$99,866 by paying assessment on July 1, 2020

# Support Public Safety

- BoS formed Police & Fire & Rescue Public Safety Staffing Group
  - In FY18, recommended additional 5 police officers and 8 firefighter/paramedics
  - With the proposed FY21 budget, we will have added 4 police officers and 5 firefighter/paramedics in total
- Police Chief requested 2 Police Officers – One Police Officer funded to be hired in January 2021- reduction of one Police cruiser
- Fire Chief requested 2 additional Firefighter/Paramedics - One FF/Paramedic funded to be hired July 2020
- Reduction of Police and Fire overtime from requested amounts
- Additional dispatcher requested - not funded
- If revenues from state higher than expected - consider revisiting Police and Fire budgets

# Impact of Growth in Population

- Westford population grew by 9% from 2009 (20,718) to 2019 (22,586)
- Fire and Ambulance calls increased by 53% from 2009 (3,282) to 2018 (5,015)
- Police calls increased by 69% from 2009 (16,205) to 2018 (27,456)
  - In DOR Community Comparison Report, Westford ranked 247 out of 351 on percentage of overall budget spent on police

# Impact of Growth in Population

- J. V. Fletcher Library 3.8% increase in circulation from FY18 to FY19
  - When population is at 25,000, must increase operating hours by four per week
  - Expansion of Library being considered in 2024
- Cameron Senior Center – 464 residents turned 60 in last year, bringing total to 5,607
  - 1,343 residents age 58-60
  - 874 new members joined COA since FY16
  - LRTA rides increased from 7,336 in FY16 to 9,852 in FY19 for 34.3% increase

# Create a Department of Public Works

- Mission: to streamline oversight/reporting structure of Highway, Water, Engineering, Wastewater, Stormwater and Tree Warden under one Director
- Benefits: increased efficiency, coordination of operations and infrastructure improvements, enhanced planning, procurement, consolidated vehicle maintenance, coordination of fleet
  - Structure will be similar to Finance and Land Use Departments
  - Additional funding fits within towns operating budget of 2.17%



# Create a Department of Public Works

- Reduce costs and increase the efficiency and effectiveness of the Highway, Engineering, and Water Departments through better business practices, communication, and coordinated operations.
- Consolidate fiscal oversight and management of procurement, forecasting, budgeting, and payroll activities.
- Enhance the utilization of technology and existing GIS and Asset Maintenance Software for the purposes of planning, tracking, measuring, and optimizing operations and maintenance.
- Improve customer service, public information, and responsiveness to requests and complaints.
- Develop a comprehensive Capital Improvement Plan for town-owned infrastructure, utilities, and related assets.
- Consolidate and coordinate the usage and maintenance of equipment and fleet.
- Implement the Stormwater Management Program, Enterprise Fund, and stormwater fee.

# New Stormwater Utility Fee

- BoS voted to establish stormwater utility fee in August 2019
- October 28th 2019 Special Town Meeting voted to establish Stormwater Enterprise Fund to track stormwater expenses and revenue in a transparent manner
- FY21 Stormwater budget is \$1,250,138
  - Debt Service projection to replace aging infrastructure
  - General Fund Subsidy of \$600,000 continues with remaining \$650,138 funded through user fees – payments due Nov 1, 2020 and May 1, 2021
  - Funding 50% of expenses related to hiring of one Heavy Equipment Operator
  - Additional funding for a part time billing administrative assistant
  - Includes additional funding for annual MSR permit compliance, including street sweeping, catch basin cleaning, administrative expenses, and direct/indirect costs

# FY21 Budget - Other Departments

- Highway and Parks and Grounds Departments requested 2 additional Heavy Equipment Operators and the Parks & Grounds open position that has not been funded for the past 4 years
  - Hiring 1 full time HEO as recommended in the Stormwater Enterprise Budget
  - Position to be split: 50% Stormwater Enterprise, 25% Highway, 25% Parks & Grounds
- Could not fund \$7,375 in additional seasonal help and overtime for Parks & Grounds
- Request from Board of Health to increase Public Health Nurse by 7.5 hours to FT was not funded (\$16,713), and did not fund Substance Abuse Coordinator who retired (\$33,531)

# FY21 Capital Investment

## **Preliminary Capital Planning Committee Recommendation:**

Free Cash	\$1,636,272
General Fund Bonds	\$13,104,704
Enterprise Bonds	\$6,850,000
Enterprise Retained Earnings	\$155,000
Other Available Funds	\$288,256
<b>Total</b>	<b>\$22,034,232</b>

*\*Capital Stabilization current balance: \$445,363 with \$230,000 from above Free Cash figure to replenish fund and \$40,000 from Cornerstone mitigation agreement to bring balance to \$715,363*

# Town & School Safety Task Force

- 2018 Special Town Meeting – Appropriated \$200,000 to fund 2 RFPs
  - Security Risk Assessment of Town and School Facilities and Procedures
  - School/Community Mental Health Needs Assessment
- 2019 Annual Town Meeting – Appropriated \$200,000 for school communications upgrades
- 2019 Special Town Meeting – Appropriated \$353,000 for additional school communication improvements and first responder radio upgrades
- 2020 Annual Town Meeting – Seeking to borrow \$606,704 to provide improved school access controls and further communication upgrades

# Public Works Projects

- Oak Hill Rd and Groton Rd intersection is now complete
  - \$212,000 town investment, \$2,500,000 MassDOT funding
- Dunstable Rd and Groton Rd intersection substantially complete with ornamental lighting scheduled to be installed in February
  - \$262,000 town investment, \$2,700,000 MassDOT funding
- Beaver Brook Bridge project at 25% design phase
  - \$192,000 town investment, \$1,630,000 MassDOT funding
- Moore Rd, Oak Hill Rd, and Plain Rd project at 25% design stage
  - Issuing bonds of \$3,790,000 from the general fund, \$2,020,000 from stormwater enterprise, and \$2,350,000 from water enterprise at 2020 ATM

# Public Works Projects

- Prospect Hill Water Tank to be completed in spring of 2020
- Kirsi Circle and Douglas Rd water main project in design stage
  - Issuing bonds of \$2,350,000 from water enterprise at 2020 ATM for June construction
- Currently working on town-wide culvert assessment project
- Funding construction for new sidewalk on Carlisle Rd and design for new sidewalk on Robinson Rd
- Boston Road Reconstruction project scheduled for 2023-2024
  - \$320,000 town investment, \$6,000,000 MassDOT funding
- Town manager's office will work with departments to determine the best use of Newport Materials settlement agreement

# Fletcher Fire Station 1



- Fletcher Fire Station 1 completed and occupied on November 1, 2018
- Projected completed under budget by \$660,745, which will be rescinded at a future Town Meeting



# Roudenbush Community Center

- The Roudenbush Community Center Inc. and Westford Parks and Recreation Department moved into the building in January 2019
- Permanently bonded in August 2019 with a True Interest Cost (TIC) of 2.89%



# New Center Building

- Appropriated \$60,000 for feasibility study in 2017
- Appropriated \$320,000 for design in 2018
- \$8,308,000 estimated cost for construction of new town center building, including demolition of old fire station and site clean up
- Includes new 100 person town meeting/police training room, and Technology, Facilities and Veteran's Agent offices



# Disposition of Town Properties

## 35 Town Farm Road

- BOS supported task force's recommendation to release a request for proposals to redevelop the building into senior affordable housing and a new home for the Westford Food Pantry. Contingent upon the identification of a new home for the fire department's training facility



# Disposition of Town Properties

## 63 Main Street

- Task force to research and recommend potential future uses of the property
- Building is secured and awaiting town's decision for reuse





# Disposition of Town Properties

## 12 North Main Street

- Task force issues several RFPs – no responsive proposals received
- Evaluating next steps
- Recently received \$64,500 grant to fund Phase II Environmental Assessment of site



# Budget Variables

- State aid
- New growth
- Infrastructure/facilities
- New Center building
- 35 Town Farm Road
- 63 Main Street
- 12 North Main Street
- Public Safety needs
- Collective bargaining
- Health insurance
- NVTHS assessment
- Energy costs
- Solid waste and recycling
- Snow and ice deficit
- New exemptions (SLIDTR)

# Thank you

- We welcome your input and suggestions
- We are committed to examine each and every opportunity
- We strive to continue to provide high quality services for our residents

